

VZCZCXRO6330
OO RUEHROV
DE RUEHJM #2514/01 3411237
ZNY CCCCC ZZH
O 071237Z DEC 07
FM AMCONSUL JERUSALEM
TO RUEHC/SECSTATE WASHDC IMMEDIATE 9926
INFO RUEHKK/ARAB ISRAELI COLLECTIVE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUEHBS/USEU BRUSSELS PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 002514

SIPDIS

SIPDIS

NEA FOR FRONT OFFICE; NEA/IPA FOR
GOLDBERGER/SHAMPAINE/BELGRADE; PRM FOR PRM/ANE; NSC FOR
ABRAMS/PASCUAL; TREASURY FOR SZUBIN/LOEFFLER/NUGENT/HIRSON;
BRUSSELS FOR LERNER; PLEASE PASS TO USAID FOR
KUNDER/MCCLOUD/BORODIN

E.O. 12958: DECL: 12/07/20017

TAGS: [EAID](#) [ECON](#) [ENRG](#) [KWBG](#) [PGOV](#) [PHUM](#)

SUBJECT: GAZA: REDUCED FUEL IMPORTS RESULT IN GAS STATION
WORK STOPPAGE

REF: JERUSALEM 2393

Classified By: Consul General Jake Walles, Reasons 1.4 (b) and (d)

¶1. (SBU) Summary: Israeli restrictions on fuel shipments to Gaza, imposed on October 27, remain in effect, according to the head of the Palestinian Petroleum Corporation (PPC) in Gaza. In reaction, Gaza gas station owners began a work stoppage on December 1, despite the continued importation of fuel at Nahal Oz fuel transfer station, albeit at the reduced amounts. Due to a lack of fuel buyers and additional fuel storage space, PPC had to decline diesel and gasoline imports into Gaza on December 6. End summary.

¶2. (SBU) Gaza Director of the PPC Mujahid Salama told Econoff on December 6 that fuel imports have continued at the reduced levels that began October 27 - an overall cut of 35 percent. Salama said that on November 29-30 fuel imports at the Nahal Oz fuel transfer station experienced a sharp, temporary reduction, after an Israeli tank destroyed one of the station's two transfer pipes on November 28. The damaged pipe was repaired by PPC on November 30. (Note: Local media suggested that this sharp reduction on November 28-30 had been constant since October. Please see import breakdown in para five. End note.)

Gas Station Owners Conduct Work Stoppage

¶3. (SBU) President of the Association of Oil and Gas Retailers in Gaza (AOGR) Mahmoud Showa told Econoff December 5 that his organization decided to begin a work stoppage on December 1, as "no more fuel remains in Gaza." He said that the station owners he represents have refused to accept gasoline deliveries because the fuel cuts have resulted in little or no profits for the 210 gas stations in Gaza. Showa's deputy at AOGR, Mahmoud al-Khozondar, told Econoff on December 6 that gas station owners can no longer afford to keep their stations open. (Note: Gaza contacts confirmed on December 7 that gas stations remain closed. End note.)

Diesel and Gasoline Imports Declined
- No More Storage Space

¶4. (SBU) Salama told Econoff that he had to decline diesel and gasoline imports on December 6, as there were no buyers and PPC fuel storage space had already reached capacity - 1,000,000 liters of diesel and 300,000 liters of gasoline.

He added that cooking gas and industrial fuel for the Gaza Power Plant have continued to be imported and distributed without interference.

15. (C) Gaza-based OCHA representatives conveyed to Econoff on December 6 that Hamas has continued to have access to diesel and gasoline, as Executive Force vehicles are still in use throughout Gaza.

16. (SBU) Gaza fuel imports Nov 29 - Dec 6 were as follows, according to Salama and Manager of the Gaza Power Plant Rafiq Maliha:

December 6:

Diesel (D) - 0 liters (pre-October 27 amount - 350,000)
Gasoline (G) - 0 liters (pre-October 27 amount - 120,000)
Industrial fuel for Gaza Power Plant (GPP) - 340,000 liters (pre-October 27 amount - 530,000)
Cooking gas (C) - 200 tons (pre-October 27 amount - 220 tons)

December 5:

D - 185,000 liters
G - 55,000 liters
GPP - 362,000 liters
C - 200 tons (two-year average - 220 tons)

December 4:

D - 185,000 liters
G - 45,000 liters
GPP - 361,000 liters
C - 180 tons

December 3:

D - 190,000 liters

JERUSALEM 00002514 002 OF 002

G - 50,000 liters
GPP - 317,000 liters
C - 200 tons

December 2:

D - 190,000 liters
G - 58,000 liters
GPP - 406,000 liters
C - 220 tons

December 1: Closed for weekend

November 30: Opened due to November 29 technical problems at pump;

D - 90,000 liters
G - 25,000 liters
GPP - 0 liters
C - 100 tons

November 29: Gazans experienced technical issues at the Nahal Oz transfer station pumps;

D - 90,000 liters
G - 25,000 liters
GPP - 316,000 liters
C - 120 tons

WALLES